

ER 64-5856/a

9 September 1964

The Honorable Kermit Gordon  
Director, Bureau of the Budget  
Washington, D. C.

Dear Mr. Gordon:

This is with reference to your letter of August 21, 1964, to Mr. McCone concerning the salary levels of senior CIA executives in keeping with the Federal Executive Salary Act of 1964. You take exception to two of the salary levels which we have established; namely, that of the Chairman of the Board of National Estimates in Level IV, and the Chairman of the USIB Watch Committee in Level V. I believe that further word on the rationale behind the placement of these two officials at this level would be appropriate.

With regard to the Chairman of the Board of National Estimates, we have made a conscious effort in recent years to elevate the position of the Chairman to a higher level in view of his constant relationship with the heads of other intelligence agencies during the estimative process. You will further recall that as Chairman of the Board of National Estimates, as distinct from his other role as Assistant Director of the Office of National Estimates, he reports directly to the Director of Central Intelligence in the latter's capacity as principal U. S. intelligence officer. This in effect equates him in relative position to the four line Deputy Directors of CIA and to the Deputy to the DCI for National Intelligence Programs Evaluation. It is on this basis that we have placed his position in Level IV.

Your reservations on the position of the Chairman of the USIB Watch Committee are understood. I would note however that this assignment was formerly held by the Deputy Director of Central Intelligence until the burdens of the latter job became such that it was essential that some other senior officer assume this highly responsible and time-consuming task of chairing the Watch Committee. The present incumbent,

*D. D. C. File Copy*

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additionally, is also the CIA SIGINT officer reporting directly to the Director of Central Intelligence, and is currently the acting Assistant Deputy Director for Science and Technology. In order, therefore, that the Executive Salary Level V be designated for this senior officer commensurate with the responsibilities assigned to him, we are using one of the Level V "at large" positions for this purpose. This will then delete from our letter of August 14, 1964, the position of the Chairman of the USIB Watch Committee as a designation for Executive Salary Level V.

Faithfully yours,

/s/

Marshall S. Carter  
Lieutenant General, USA  
Deputy Director

LBK:rcr

Rewritten: DDCI/MSB:bec .

Distribution:

Orig - Addressee

1 - DDCI - w/cy haie

~~1 - D/BPAM~~

3 - Ex Dir - w/haie

~~1 - ER~~

Final version concurred in by Mr. Kirkpatrick  
and Colonel White. - bec/o-saw.

(\*) No further distribution made  
per instruction of o-Ex Dir Mr. Knoche - bec.

RE ATTACHED -- General Carter checked his version out with Mr. Kirkpatrick on 9 Sept -- Mr. Kirkpatrick concurred. General Carter then said that he wanted it checked out with Mr. Bannerman. Found that Mr. Bannerman out ill and not expected back until Monday, 14 Sept. General Carter said to hold until 14 Sept. and check out with either Mr. Bannerman or Colonel White. General Carter also added that "maybe DD/S&T should get a copy." (check later point w/mr. Knoche -- ☐ also wondered if Mr. Kent should get a copy. Bly)

STAT



Negative

25X

STAT

But: If Mr. Bannerman + Col. White are not in on Monday, leave the package with ☐ so she can check on Tuesday.

STAT

STA

To follow for Col. White's review 9:30 - 9/14.

SECRET

Kermit Gordon, Director  
Bureau of the Budget  
Washington, D. C.

Dear Mr. Gordon:

This is with reference to your letter of August 21, 1964 to Mr. McCone concerning the salary levels of senior CIA executives in keeping with the Federal Executive Salary Act of 1964. You take exception to two of the salary levels which we have established; namely, that of the Chairman of the Board of National Estimates in level IV and the Chairman of the USIB Watch Committee in level V. I believe that a further word on the rationale behind the placement of these two officials at this level would be appropriate.

With regard to the Chairman of the Board of National Estimates, we have made a conscious effort in recent years to elevate the position of the Chairman to a higher level in view of his constant relationship with the heads of other intelligence agencies during the estimative process. You will further recall that as Chairman of the Board of National Estimates, as distinct from his other role as Assistant Director of the Office of National Estimates, he reports directly to the Director of Central Intelligence in the latter's capacity as principal U. S. intelligence officer. This in effect equates him in relative position to the four line Deputy Directors of CIA and to the Deputy to the DCI for National Intelligence Programs Evaluation. It is on this basis that we have placed his position in level IV.

I do not feel so strongly on the position of the Chairman of the USIB Watch Committee. However, I would note that this was an assignment formerly held by the Deputy Director of Central Intelligence until

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

~~SECRET~~

the burdens of the latter job became such that it was essential that some other senior officer assume the highly responsible and time-consuming task of chairing the Watch Committee. If the Bureau of the Budget feels that this is not warranted at the level V rate, then I would propose using one of the level V "at large" positions for the present incumbent. I believe that this is fully justified in as much as the present incumbent, in addition to being the Chairman of the Watch Committee, is also the CIA SICINT officer and is currently the acting Assistant Deputy Director for ED/S&T.

Faithfully yours,

Marshall S. Carter  
Acting Director

LBK:rcr

Distribution:

Original - addressee  
1 - DDCI  
1 - D/BPAM  
① - ExDir (chrono)  
1 - ER

~~SECRET~~

TRANSMITTAL SLIP		DATE
TO: <i>H. Tinsche</i>		14 SEP 1964
ROOM NO.	BUILDING	
REMARKS: <i>Per am Comments,          while I hate to run          up on J. am "AT          large" position, all          things considered          I think this is the          right solution to          this problem.</i>		
FROM: <i>H. Tinsche</i>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
 1 FEB 55  
 REPLACES FORM 35-8  
 WHICH MAY BE USED.  
 GPO: 1957-O-439445  
 (47)

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DECLASSIFICATION

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D.C.

Executive Registry

AUG 2 1964

64-5856

Honorable John A. McCone  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. McCone:

I refer to your letter of August 14, 1964, concerning adjustments in the salary levels of senior CIA executives in keeping with passage of the Federal Executive Salary Act. In assigning Executive Salary Levels IV and V, as designated in the attachment to your letter, to senior positions within the Agency, you have conformed in general with the criteria utilized in establishing the Federal Executive Salary Schedule. I am inclined to conclude, however, that there are two exceptions. These concern the levels of Chairman of the Board of National Estimates and the Chairman of the USIB Watch Committee.

We in the Bureau appreciate the importance of the position of the Chairman of the Board of National Estimates as the chief figure in the national estimative process. We also recognize that there is a range of responsibilities involved in the various positions assigned to Executive Salary Level IV. As a general proposition, this Level was intended to cover positions clearly of the rank of assistant secretary. The placement of your deputy directors on Level IV is thus consistent. Similarly, the placement on Level IV of the relatively new position of the Deputy to the DCI for National Intelligence Programs Evaluation, as your chief staff officer to support you in your community-wide responsibilities, is also consistent. However, I would question whether the Chairman of the Board of National Estimates should be assigned to this Executive Salary Level.

With respect to assignment of the Chairman of the USIB Watch Committee at Executive Salary Level V, I have somewhat stronger reservations. It is my view that the position level of a representative to a committee, even such an important interagency assignment as the chairmanship of the USIB Watch Committee, should be determined by the regular position occupied by that person in his parent organization. This is, I feel, fully consistent with the recommendation made by the executive branch and the distribution by the Congress of positions on the Federal Executive Salary Schedule.

I am, of course, appreciative of the statutory authority vested in the Director of Central Intelligence to establish salary scales within the

Central Intelligence Agency--an authority which is again expressly recognized by the Federal Employees Salary Act. I would, however, appreciate your consideration of the points raised above.

Sincerely,

(signed) Kermit Gordon

KERMIT GORDON

Director